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Dan Smoot Report

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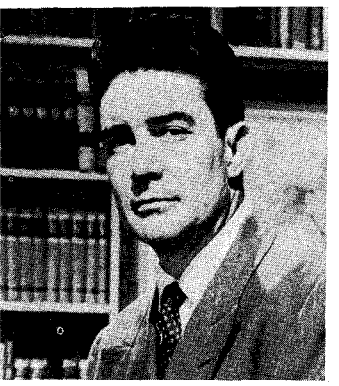

DAN SMOOT

THE AMERICA WE LOST

"The America We Lost" was written by Dr. Mario A. Pei (Professor of Romance Languages at Columbia University). Originally published in the May 31, 1952, issue of the Saturday Evening Post *(copyright by The Curtis Publishing Company), Dr. Pei's article has been reprinted by several other publications and widely distributed, in leaflet form, by the Foundation for Economic Education. It merits reprinting again.*

When I first came to America, forty-four years ago, I learned a new meaning of the word "liberty" — freedom from government.

I did not learn a new meaning for "democracy." The European country from which I came, Italy, was at that time as "democratic" as America. It was a constitutional monarchy, with a parliament, free and frequent elections, lots of political parties and plenty of freedom of religion, speech, press and assembly.

But my native country was government-ridden. A vast bureaucracy held it in its countless tentacles. Regardless of the party or coalition of parties that might be in power at the moment, the government was everywhere. Wherever one looked, one saw signs of the ever-present government — in the uniforms of numberless royal, rural and municipal policemen, soldiers, officers, gold-braided functionaries of all sorts. You could not take a step without government intervention.

Many industries and businesses were government-owned and government-run — railroads, telegraphs, salt and tobacco among them. No agreement, however trivial, was legal unless written on government-stamped paper. If you stepped out of the city into the country and came back with a ham, a loaf of bread or a bottle of wine, you had to stop at the internal-revenue barriers and pay duty to the government, and so did the farmers who brought in the city's food supply every morning. No business could be started or run without the official sanction of a hundred bureaucrats.

Young people did not dream of going into business for themselves; they dreamed of a modest but safe government job, where they would have tenure, security and a pitiful pension at the end

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of their plodding careers. There was grinding taxation to support the many government functions and the innumerable public servants. Everybody hated the government — not just the party in power, but the government itself. They had even coined a phrase, "It's raining — thief of a government!" as though even the evils of nature were the government's fault. Yet, I repeat, the country was democratically run, with all the trappings of a many-party system and all the freedoms of which we in America boast today.

America in those days made you open your lungs wide and inhale great gulps of freedom-laden air, for here was one additional freedom — freedom from government.

The Government was conspicuous by its very absence. There were no men in uniform, save occasional cops and firemen, no visible bureaucrats, no stifling restrictions, no Government monoplies. It was wonderful to get used to the American system: To learn that a contract was valid if written on the side of a house; that you could move not only from city to the country but from state to state and never be asked what your business was or whether you had anything to declare; that you could open and conduct your own business, provided it was a legitimate one, without Government interference; that you could go from one end of the year to the other and never have contact with the national Government, save for the cheery postman who delivered your mail with a speed and efficiency unknown today; that there were no national taxes, save hidden excises and import duties that you did not even know you paid.

In that horse-and-buggy America, if you made an honest dollar, you could pocket it or spend it without having to figure what portion of it you "owed" the Government or what possible deductions you could allege against that Government's claims. You did not have to keep books and records of every bit of income and expenditure or run the risk of being called a liar and a cheat by someone in authority.

Above all, the national ideal was not the obscure security of a Government job, but the boundless opportunity that all Americans seemed to consider their birthright. Those same Americans loved their Government then. It was there to help, protect and defend them, not to restrict, befuddle and harass them. At the same time, they did not look to the Government for a livelihood or for special privileges and handouts. They were independent men in the full sense of the word.

Foreign-born citizens have been watching with alarm the gradual Europeanization of America over the past twenty years. They have seen the growth of the familiar European-style Government octopus, along with the vanishing of the American spirit of freedom and opportunity and its replacement by a breathless search for "security" that is doomed to defeat in advance in a world where nothing, not even life itself, is secure.

Far more than the native-born, they are in a position to make comparisons. They see that America is fast becoming a nineteenth-century-model European country. They are asked to believe that this is progress. But they know from bitter experience that it just isn't so.

The Cyclonic Pace

Unconstitutional encroachment of the federal government into affairs of local communities and states, and into lives of individuals, has multiplied alarmingly since Dr. Pei wrote "The America We Lost" in 1952. *Note the September* 27, 1965, Report From Washington *by U. S. Representative Richard H. Poff (Virginia Republican), illustrating what the first session of the 89th Congress did in less than nine months.*

New federal spending programs are being created and old programs are being expanded and diversified at such a cyclonic pace it is impossible to inventory, much less to assess the impact of, the whole package. Here, simply to illustrate the scope and depth of the spectrum, are 50 examples of estimated authorizations for appropriations, showing first year costs and cumulative costs:

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Example of Legislation	Estimated Costs 1st Year	Years	Cumulative Amount
1. Housing, Rent Subsidies, and Urban Development	$ 935 million	4	$ 7,400,000,000
2. Community Health Services and Immunization	28 million	4	112,000,000
3. Rapid Rail Transit, Washington, D. C.	431 million	—	431,000,000
4. Poverty Program Expansion	1.8 billion	3	5,400,000,000
5. Federal Aid to Higher Education	672 million	5	4,700,000,000
6. Area Redevelopment, Public Works Acceleration	760 million	5	3,250,000,000
7. Community Health & Mental Facilities and Staffing	45 million	4	235,000,000
8. Social Security, Medicare and Public Assistance	6.5 billion	5	32,500,000,000
9. Regional Medical Centers	50 million	4	650,000,000
10. Appalachia Assistance	365 million	6	1,092,400,000
11. Water Resources Planning Act	11.7 million	10	117,000,000
12. Manpower Development and Training	454 million	4	1,810,000,000
13. Federal Aid to Elementary, Secondary Schools	1.34 billion	5	6,600,000,000
14. Older Americans Act	6.5 million	5	49,000,000
15. High Speed Rail Service Research	20 million	3	90,000,000
16. Military Pay Raise	1.04 billion	5	5,240,145,000
17. Federal Pay Raise	621.6 million	5	6,821,000,000
18. National Arts-Humanities Foundation	20 million	3	60,000,000
19. Highway Beautification	160 million	2	320,000,000
20. State Technical Services Act	10 million	3	60,000,000
21. Rivers and Harbors Projects	1.989 billion	—	1,989,428,500
22. Peacetime GI Cold War Benefits	338 million	5	1,930,000,000
23. Water Pollution Control	170 million	4	380,000,000
24. Saline Water	35 million	5	185,000,000
25. Air Pollution	20 million	3	60,000,000
26. Additional Cost of River Basin Projects	944 million	2	944,000,000
27. Pension Increase for Federal Employees	101.9 million	5	559,500,000
28. Vocational Rehabilitation Programs	400 million	3	1,414,250,000
29. Health Professions Education	200 million	4	800,000,000
30. Arms Control and Disarmament	10 million	3	30,000,000
31. Pesticides Research	3.2 million	3	13,200,000
32. Health Research Facilities Extension	93.6 million	3	280,000,000
33. Veterans Rehabilitation Cost-of-Living Increase	1.6 million	5	8,100,000
34. Training Seriously Disabled Veterans	3.2 million	5	16,000,000
35. Ship Construction Subsidies	124.9 million	—	124,900,000
36. International Coffee Agreement	150 million	—	150,000,000
37. Water Resources Research Act	5 million	5	39,000,000
38. Peace Corps Extension	115 million	3	345,000,000
39. National Teacher Corps and Fellowships for Elementary, Secondary Schools	35 million	3	236,000,000
40. National Aeronautics and Space Administration	5.19 billion	5	26,000,000,000
41. Conservation Program for Great Lakes Fish	5 million	5	25,000,000
42. Crime Control Training	2 million	3	10,000,000
43. National Wild Rivers System	1.8 million	5	9,000,000
44. Teacher Sabbaticals	50 million	3	150,000,000
45. Cape Lookout National Seashore	9.3 million	—	9,265,000
46. St. Croix Scenic Railway	6.5 million	—	6,500,000
47. Ellis Island National Monument	6 million	—	6,000,000
48. Assateague Island National Recreation Area	24 million	—	24,015,000
49. Spruce Knob (W. Va.) Recreation Area	19.8 million	—	19,780,000
50. Juvenile Delinquency Program	6.5 million	2	16,500,000
Estimated Total Cumulative Authorizations			$112,717,983,500

It will be noticed that the list does not include some of the larger spending programs such as Foreign Aid, Agriculture subsidies, etc. Neither does it include spending from the several trust funds such as Social Security, Interstate Highways, etc.

The Overregulated State

The following editorial, published by the Littleton (Colorado) Independent, *was inserted in the* Congressional Record *by U. S. Senator Peter H. Dominick (Colorado Republican) on October* 8, 1965. *It gives*

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details on governmental harassments, commonplace in this age of big government, which were unknown in The America We Lost.

This shot is fired in anger.

Congress, eager to please a dozen big union leaders since 1939, has made it almost impossible for little businessmen to obey the law.

There are 4 million entrepreneurs in America, and 3,900,000 of these employ only from 1 to 80 persons.

These small businessmen are the backbone of their communities. They are the stable element in a mobile society, and they are proud to provide jobs for families in their neighborhoods.

They collect taxes for the Federal Government, for the State government, and for the city government. They sit up nights preparing figures for government forms. Many can't get this done at nights, and they come back to the office on Saturdays and Sundays.

They pay out money for an accountant to calculate some of the monthly reports, but they are unable to pay a labor lawyer $20 an hour to be at their elbows day after day.

Every now and then one of them comes to this newspaper. "I am closing up my business and taking a civil service job or one with a big corporation," they are saying in substance. "I just can't keep up with all the laws."

One Main Street businessman had to surrender his records. The Government agent kept them for 6 months. The merchant worried. He thought about Disraeli who said, "A man can stand only so much uncertainty."

After his term in purgatory was up, the agent returned the records. He gave the merchant a clean bill of health.

Another businessman not far from Main Street also had a visitor. The agent asked for a desk and stayed 13 months. Morale in that office went down. At the end of the period, the agent again gave a good report.

Those two cases involved income taxes and excise collections.

It is harder to comply in other fields, such as public health requirements or on labor clauses. Until a few years ago, Littleton's chief income was derived from small dairies. Then the State government passed laws that drove every one of them out of business. Now we come close to having milk trusts.

This newspaper has had trouble with the Department of Labor for 2 months. When the agent arrived to swoop up our records, we had confidence that we were complying with the minimum wage and overtime laws.

But we didn't know what the bureaucrats in Washington had done.

We were assessed a penalty for our sins. We can pay off this penalty from the profits of 73,000 extra newspaper sales (in a town of 4,900 homes).

What was our mistake?

We made two. The first was in looking upon our staff as members of the family. Some years ago we decided to give about one-third of the monthly profits to the employees. The Department of Labor says you can't use this as an incentive. Washington has its own formula.

For example, Employee A, with 20 years of experience, draws $110 a week as a supervisor. Employee B, with 2 years of experience, gets $90. If business thrives and both men work Saturday, Mr. A gets $110 for the week as usual and B gets $117.

All of this makes a bigger profit, and when profit-sharing time comes around, it would seem logical to pay Mr. A 110 units of profit to B's 90.

The bureaucrats in Washington won't let you do that. You must pay A 110 units of profit and B (the beginner) must get 117 units.

For violating this regulation from Washington, we were heavily penalized.

Our second violation concerned monthly wage earners.

Reporters must necessarily keep odd hours. We

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explain the assignments to them when they are employed. The Department of Labor won't stand for this.

It will allow a newspaper to hire a reporter for $1.25 an hour. If that reporter works 42 hours a week, he is to get $3.75 for the extra 2 hours — making his pay $53.75 for the week.

It is illegal to say, "Joe, we want you to go to one meeting a week and work 2 hours at it, above your regular 8-to-5 job. For this you will get $90 a week."

Joe likes that arrangement, but Washington won't stand for it.

The employer and the employee must both keep time cards. They must become bookkeepers instead of newspapermen. The Department of Labor has given us nine paperback books filled with regulations. They must be studied.

We have asked the Denver office what some of the regulations mean, and we often get evasive answers. One agent told a supervisor that he can't spend more than 20 percent of his time on the phone or reading proof.

The fact is that the Department of Labor can send 10 men to examine our records and they would come up with 10 different reports and 10 different dollar penalties. It's that complicated.

While we were being examined, two retail stores also came under the gun. The Constitution permits Congress to regulate interstate commerce and at present the Department of Labor is only bothering big and medium-size stores, but the agent told us that the little stores will come under the law soon.

Retailers don't consider themselves in interstate commerce. But they'll learn. Maybe they deal with a wholesaler in Denver who buys brassieres in Cincinnati.

This newspaper is primarily local in news and local in circulation. But if a woman asks us to send a paper containing her daughter's wedding to Boise, that makes us interstate commerce.

Our paper sells for 7 cents. If we have to mail it, the price is 10 cents. For this extra 3 cents we get a piece of wrapping paper and a pot of paste. We write the address down just as the fond mother asked us to do. We go to our rubber stamp collection and find the proper stamp to comply with regulations. And we run over to the postoffice.

That isn't all. The bureaucrats in Washington require that we make a record of this transaction. We must state how much each sheet of the newspaper weighs, to six decimal points. We must state what percentage of advertising the paper contains and submit a marked copy of each inch of paper to the postoffice. We must look up the mileage (907) between Littleton and Boise so that the Government may be informed of the distance we sent the wedding story.

Washington has decreed that we cannot let our newsboys have their newspaper bags at less than cost. Violation of this section can get a newspaper in bad trouble.

Regulations take the time of America's 8,500 newspaper editors who should be devoting their energies to community projects and national problems. The smaller papers are still beyond the clutches of the Department of Labor, but the Department almost got Congress' permission to grab them last month.

The whole emphasis at the Department of Labor is on "equality instead of excellence." This is the fashion of the times, an idea that may mean the death of America.

Equal opportunity is one thing, but it should not breed laws that curb the superior individual.

Australia is worse off than we are. It tells a newspaperman what training he must have before he sits down to a typewriter, and the Government tells the editor what the man's pay should be (equality rather than excellence). Australia tells the farmer what he must pay the hired man. Our Congress has heard of this regulation, and it plans to bring 1.3 million farmhands under the law.

Many other nations of Western culture have similar redtape regulations, and not a one of them matches our production record or the living standard of the American worker. But just give the Department of Labor a little more leash.

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What are the social consequences of the "over-regulated state?"

Such harassment means the slow demise of the small businessman. Most of these entrepreneurs struggle with their own affairs because they enjoy that freedom of decision which is their heritage. They like the challenge of invention and innovating. They must not be beaten into submission. They must be allowed to give jobs to 15 or 20 million Americans, some of them old, sickly, or with IQ's below 90 . . . .

Fat Bureaucracy

The following editorial (from the October 14, 1965, Stamford Advocate) *also deals with an alarming aspect of mushrooming big government.*

If it is money you are interested in and you are an average fellow you should work for the federal government. If you can't get a job in Johnsonville then your next best bet is to work for a state or local government. Failing that, you are stuck with having to work in a job for private industry.

The frightening thing about this is that while the private industry worker is getting along better than in 1955 he is not doing as well as the federal worker or the state and local government worker. . . . While the private worker has increased his pay 33.6 percent to $5,181, the federal employe has increased his pay 48.2 percent to $6,812. The state and local government employe is up 45.9 percent to $5,197.

There are 7.5 million state and local government employes and 2.5 million federal civilian employes. This means that one person out of every twenty is on the public payroll. One out of every seven working persons is a federal employe. Six persons are working in private industry to support the federal employe, and incidentally support him better than they are supporting themselves.

This is a heavy burden but there is a dangerous aspect of the situation. As the federal worker's pay increases it is natural that many men who would be valuable to the productive area of our economy will be attracted to government bureaucracies. One can imagine what will happen if this trend continues to a point where the best brains in the nation are attracted to government service instead of to production. In the long run the government cannot succeed as Communism proves without an economic, productive base. Government services, no matter how pleasant they may be for some, do not produce wealth. Wealth is produced by turning raw materials into useful finished products. This area needs the finest brains. Even at the cost of breaking President Johnson's guidelines, the private sector of the economy will have to increase wages to compete with the federal bureaucracy. Unless the federal government decides that it too should live by its own guidelines.

News Items of Interest

The following stories (one from the Health Bulletin, *the other from* The Dallas Morning News) *reveal that people who believe in the totalitarian state believe in it wholly: they want it empowered not only to control human life, but to prevent or create life, as the rulers see fit.*

TREATING PUBLIC WATER SUPPLIES TO ACHIEVE BIRTH CONTROL (August 14, 1965, issue of *Health Bulletin*):

The pressure of population explosion may be so great in future years, says Texas physician Joseph W. Goldzieher, that "there will no longer be time for the utopia of mass enlightenment, or for the persuasion of people who may not be sufficiently advanced to understand the nature of the problem." Birth control substances may have to be put in food or in the water supply, he says, so that the whole population would be exposed, not just those people who have "the advantages of modern culture." Two compounds would be required, he points out in an article on his conception control ideas published in the February issue of *Pacific Medicine and Surgery.* One compound placed in food or water would inhibit fertility. A special antidote to the birth control chemical would be given to those people who wish to have children. "If such an antidote were

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freely available to all," he says, "there could be no ethical objection to the chemical sterilization of entire populations."

Goldzieher's article is a frank attempt to speculate on the ways in which new birth control developments or concepts might arise in the future. He notes that even the "most learned and original thinkers" in the field have had clouded crystal balls in the past. . . . Effective fertility-control measures are likely to be developed, he feels, if investigators will use their imagination to explore new avenues, instead of sticking to "safe academic studies." He also advises that researchers stop considering the reproductive system to be basically the same in all animals and man, pointing out that there are differences in reaction to fertility-control compounds, and those differences could be significant in the search for the most effective method.

The aspect of birth control which may be most important of all in future years, Dr. Goldzieher believes, is whether or not voluntary measures will be sufficient to control growing populations. "The time may come when over-population will present problems as terrible as an epidemic disease," he says, noting that under those circumstances public health officials don't spend months or years trying to convince individuals that vaccination is advisable. Compulsory "vaccination" with birth control chemicals can be made to work, he says, "just as salt is iodized or water is fluoridated." He also feels that optional methods of birth control now so popular could lead to selective breeding, since they are likely to be little-used by the uneducated and unintelligent. "The end result of such selective breeding on the economic, social and cultural level of a nation is obvious and frightening in its implications," says Dr. Goldzieher.

ARTIFICIAL CREATION OF LIFE A NATIONAL GOAL (Associated Press story in *The Dallas Morning News*, September 14, 1965):

A scientific leader proposed Monday night that the artificial creation of life itself be set as "a national goal."

A rush of knowledge is putting within sight the ability to modify living things and to control evolution, and ultimately to create new or existing forms of life, perhaps new "human" life, declared Dr. Charles C. Price, president of the American Chemical Society.

"The job can be done — it is merely a matter of time and money, and great effort," he told a general session of the society's national meeting, amplifying his views in an interview.

He said a first result — coming about in perhaps 10 to 20 years — could be ability to achieve "more efficient production of plants and animals, or even species doing things never done before." Or to improve human characteristics.

"I can't imagine that the ability to synthesize (create) new life will not happen within a century or so," he added.

Dr. Price suggested the search for such knowledge be organized as a national goal, not unlike the space program or the Manhattan Project that developed the atomic bomb.

The other choice is to let such knowledge and vast powers "come about haphazardly," he said.

But setting it as a national goal — or even possibly as an international goal — "would allow time and opportunity to consider the critical questions of who then might control" life and evolution and for what purposes. "We could control such powers more satisfactorily for the welfare of mankind," he said.

Dr. Price said he outlined his ideas by letters in June to scientific leaders in some government agencies — the Atomic Energy Commission, National Institutes of Health and National Aeronautics and Space Administration — "who are doing some component work in the bio-sciences" or life sciences.

"They were much interested," he said. "In general, the reaction was that the idea should first be considered carefully by the scientific community before being brought to the government."

He said he planned to "try to get a group of scientists active in these research fields together to consider whether it is timely and appropriate to organize these efforts as a national goal."

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